

## Schedule DJE-A-1

COMMONWEALTH EDISON COMPANY  
REVENUE REQUIREMENT EFFECT OF AUDIT ADJUSTMENTS  
(\$000)

	<b>Liberty</b>			<b>GCI</b>		
	(1) Interim Order	(2) Liberty Adjstmnts	Liberty Proposed	(1) Interim Order	(3) GCI Adjstmnts	GCI Proposed
Operating Revenues	\$ 1,526,975	\$ (154,993)	\$ 1,371,982	\$ 1,526,975	\$ (106,599)	\$ 1,420,376
Other Revenues	54,799	-	54,799	54,799	-	54,799
Total Operating Revenues	1,581,774	(154,993)	1,426,781	1,581,774	(106,599)	1,475,175
Uncollectible Expense	14,454	(2,844)	11,610	14,454	(2,501)	11,953
Production	432		432	432		432
Distribution	385,548	(79,985)	305,563	385,548	(63,238)	322,310
Customer Accounts	156,169	(11,747)	144,422	156,169	(11,747)	144,422
Customer Service and Informational	12,217	(7)	12,210	12,217	(7)	12,210
Administrative and General	118,153	(5,872)	112,281	118,153	(4,459)	113,694
Depreciation and Amortization	296,856	(41,479)	255,377	296,856	(11,635)	285,221
Taxes Other Than Income Taxes	154,041	-	154,041	154,041	-	154,041
Operating Expenses before Income Taxes	1,137,870	(141,934)	995,936	1,137,870	(93,587)	1,044,283
State Income Tax	25,819	(626)	25,193	25,819	(624)	25,195
Federal Income Tax	118,588	(2,875)	115,713	118,588	(2,865)	115,723
Deferred Taxes - and ITC Net	(22,334)	-	(22,334)	(22,334)	-	(22,334)
Total Operating Expenses	1,259,943	(145,436)	1,114,507	1,259,943	(97,076)	1,162,867
Net Operating Income	\$ 321,831	\$ (9,557)	\$ 312,274	\$ 321,831	\$ (9,523)	\$ 312,308
Rate Base	\$ 3,579,874	\$ (106,310)	\$ 3,473,564	\$ 3,579,874	\$ (105,932)	\$ 3,473,942
Rate of Return	8.99%		8.99%	8.99%		8.99%

## Sources:

- (1) Interim Order, Appendix A (Rev)
- (2) Audit Report, Pages I-2, I-3
- (3) Schedules DJE-A-2 through DJE-A-6

Uncollectible Expense adjusted for revenue change  
Uncollectible Expense adjusted for revenue change

## Factors used in rev. req. calculations:

Uncollectible Rate	0.71%
SIT Rate	7.08%
FIT Rate	35.00%
Combined Tax Rate	39.60%
Weighted ROE	5.02%

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COMMONWEALTH EDISON COMPANY  
REFUNCTIONALIZED EXPENSES  
(\$000)

	<u>2000</u>	<u>2001</u>
Total Distribution O&M, Excluding Incentive Comp	\$ 385,233	\$ 366,456
O&M Expenses Refunctionalized from Transmission	<u>26,994</u>	<u>23,504</u>
Distribution O&M, Excluding Refunctionalized Expenses	358,239	342,952
Refunctionalized Expense as a % of Net Distribution O&M	7.535%	6.853%
Average for 2000 - 2001		7.194%
Total Distribution O&M, 1991		\$ 205,360
Adjustment for Refunctionalization		<u>14,774</u>
Total Distribution O&M, 1991		220,134
Escalation Rate 1991 - 2000		3.045%
Normalized Distribution O&M - 2000, Excluding Incentive Compensation		<u>\$ 288,357</u>

Source: Liberty Audit Report, Page II-53

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COMMONWEALTH EDISON COMPANY  
ALLOCATION TO RETAIL OPERATIONS  
(\$000)

		Incentive Comp	Other Distrib. O&M	Total Distrib. O&M
Expenses per ComEd, as Adjusted	(1)	\$ 40,722	\$ 379,283	\$ 420,005
Allocation to Retail	(2)	0.9956	0.9956	0.9956
Retail Distribution O&M, per ComEd		40,541	377,600	418,141
ICC Adjustments, per Interim Order	(3)	12,380	20,213	32,593
Retail Distribution O&M, per Interim Order		28,161	357,387	385,548
Normalized Distribution O&M, per Liberty Method				
Total Company, as Adjusted	(4)		\$ 288,357	
Pro Forma Adjustment for Wage Increases	(5)		7,103	
Pro Forma Normalized Distribution O&M			295,460	
Allocation to Retail	(2)		0.9956	
Retail Distribution O&M, Normalized			294,148	
Adjustment to ComEd Distribution O&M	(6)		<u>\$ (83,451)</u>	
Adjustment to Distribution O&M, Interim Order	(7)		<u>\$ (63,238)</u>	

## Sources:

- (1) Audit Report, Page II-12, ComEd Schedule C-1
- (2) ComEd Schedule C-1 418141/420005
- (3) Amendatory Interim Order, Appendix A (Rev), Schedule 2
- (4) Schedule DJE-A-2, Page 1
- (5) Audit Report, Page II-5
- (6) Retail Distribution O&M, Normalized - ComEd O&M
- (7) Retail Distribution O&M, Normalized - Interim Order O&M

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COMMONWEALTH EDISON COMPANY  
ESCALATION RATE  
(\$000)

<u>Year</u>		<u>Implicit Price Deflator</u>
1991	(1)	89.7
2000	(1)	106.9
Annual Growth Rate		1.97%
Customer Growth Rate	(2)	1.00%
Compound Growth Rate		2.99%

Sources:

- (1) Energy Information Administration
- (2) Audit Report, Page II-10

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COMMONWEALTH EDISON COMPANY  
ALTERNATIVE ADJUSTMENTS TO DISTRIBUTION O&M  
(\$000)

A	Distribution O&M, Adjusted for Refunctionalization - 1991	(1)
	Distribution O&M, Adjusted for Refunctionalization - 1992	(2)
	Distribution O&M, Adjusted for Refunctionalization - 1993	(2)
	Three Year Average	
	Escalation Rate 1992 - 2000	(3)
	Normalized Distribution O&M - 2000, Excluding Incentive Compensation	
B	Distribution O&M, Adjusted for Refunctionalization - 1991	(1)
	Escalation Rate 1991 - 2000, with 0.50% Productivity Offset	(4)
	Normalized Distribution O&M - 2000, Excluding Incentive Compensation	
C	Refunctionalized O&M - 1997, per Docket No. 99-0117	(5)
	Distribution O&M, Actual - 1997	(3)
	Refunctionalized Expense as a % of Distribution O&M	
	Three Year Average 1997, 2000, 2001	(6)
	Distribution O&M, Actual - 1991	(3)
	Distribution O&M, Adjusted for Refunctionalization - 1991	(3)
	Escalation Rate 1991 - 2000	
	Normalized Distribution O&M - 2000, Excluding Incentive Compensation	
D	Distribution O&M, Actual - 1991	(3)
	Escalation Rate 1991 - 2000	(3)
	Normalized Distribution O&M - 2000, before Refunctionalization	
	Refunctionalized O&M - 1997, per Docket No. 99-0117	(5)
	Refunctionalized O&M - 1997, Escalated to 2000	
	Normalized Distribution O&M - 2000, Excluding Incentive Compensation	

## Sources:

- (1) Schedule DJE-A-2, Page 1
- (2) Schedule DJE-A-2, Page 1; Audit Report, Page II-53
- (3) Audit Report, Page II-53
- (4) Audit Report, Page II-53: 3.045% less 0.5% Productivity Factor
- (5) Order, Docket No. 99-0117, Page 23
- (6) Average of 1997, 2000, 2001

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\$	220,134
	220,935
	<u>224,419</u>
	221,829
	3.045%
\$	<u>281,990</u>

\$	220,134
	2.545%
\$	<u>276,006</u>

\$	20,495
	<u>217,676</u>
	9.415%
	7.935%
	<u>205,360</u>
	221,655
	3.045%
\$	<u>290,348</u>

\$	205,360
	3.045%
	269,004
	20,495
	22,425
\$	<u>291,428</u>

## Schedule DJE-A-3

COMMONWEALTH EDISON COMPANY  
 ADJUSTMENTS TO CUSTOMER ACCOUNTS, SERVICE, INFORMATION EXPENSE  
 (\$000)

Adjustment	Activity	FERC Account	Amount	Account Total
Eliminating no-reads	MR	902	\$ 200	\$ 200
Reduction in interpreter services	CC	903	767	
Reduction in CSR hours/coverage	CC	903	960	
Reduced service levels	CC	903	460	
Enhanced IVR	CC	903	480	
Reduced handoffs	CC	903	440	
Complaint resolution	CC	903	941	
Improved estimating	SB	903	450	
Document imaging	SB	903	170	
Elimination of contractor overtime	SB	903	1,700	
Improved reading accuracy	MR	903	300	
Prioritizing 2nd reads	MR	903	720	
Payment center closing	RM	903	1,748	
Risk scoring	RM	903	1,700	
Agent compensation	RM	903	1,393	
System improvements	OC	903	41	
Municipal Outage System	OC	903	42	12,312
Reduction to uncollectibles expense	RM	904	1,744	1,744
ComEd Commitment Program	OC	908	<u>7</u>	<u>7</u>
Total of Adjustments Proposed by Liberty			\$ 14,263	
Adjustment in Interim Order - All Account 903			<u>765</u>	
Net Adjustment to Interim Order			<u>\$ 13,498</u>	

CC Customer Care Center  
 SB System Billing  
 MR Meter Reading  
 RM Revenue Management  
 OC Outage Communications

Source: Audit Report, Pages IV-6, IV-7

## Schedule DJE-A-4

COMMONWEALTH EDISON COMPANY  
ADJUSTMENTS TO ADMINISTRATIVE AND GENERAL EXPENSE  
(\$000)

Adjustments incremental to Interim Order:

	(1)		
	<u>Liberty</u>	<u>GCI</u> <u>Adjstmnts</u>	<u>GCI</u> <u>Position</u>
Legal and Outage Related Costs	\$ 236		\$ 236
Outage-related Payouts and Settlements	9		9
Wrigleyville Settlement	XXX		XXX
Chicago Settlement Costs	1,338		1,338
Special Studies	1,517		1,517
Customer Service and Outage Communications	748		748
Incentive Compensation	<u>1,401</u>	<u>(1,401)</u>	<u>-</u>
Net A&G Downward Adjustment	<u>\$ 5,872</u>	<u>\$ (1,401)</u>	\$ 4,471
Retail Allocation Factor			<u>99.72%</u>
Retail Adjustment	(2)		<u>\$ 4,459</u>

Sources:

(1) Audit Report, Page V-5

(2) ComEd Schedule C-1: 200,663/201,224



## Schedule DJE-A-5

COMMONWEALTH EDISON COMPANY  
ADJUSTMENTS TO RATE BASE  
(\$000)

Plant Adjustments			
True-up to actual costs of 2Q 2001 projects	(1)	Accounting	\$ 7,675
Adjustments to Northwest project	(1)	Accounting	3,432
Excess AFUDC	(1)	Accounting	7,449
Assets not in service per Company records	(1)	Cutoff	21,709
Incremental cost of project deferrals	(1)	Deferral	66,743
Procurement	(1)	Excess	5,418
Excess ComEd employee overtime	(1)	Excess	22,870
Contractor overtime premiums	(1)	Excess	4,778
Project management	(1)	Excess	8,891
New depreciation method	(1)	Method	123,821
Unrecorded retirements	(1)	Recording	<u>171,588</u>
Total Distribution Plant Adjustments			<u>\$ 444,374</u>
Adjustments to Depreciation Reserve			
Unrecorded retirements	(2)		\$ (171,588)
New depreciation method	(2)		(123,821)
Depreciation on other plant adjustments	(3)		<u>(4,562)</u>
Total Adjustments to Depreciation Reserve			<u>\$ (299,971)</u>
Adjustment to Deferred Taxes	(2)		<u>\$ (2,153)</u>
Net Distribution Rate Base Adjustment			\$ 142,251
Adjustment in Interim Order	(4)		<u>35,979</u>
Incremental Adjustment to Interim Order			106,272
Retail Allocation Factor	(5)		<u>99.64%</u>
Retail Distribution Plant Adjustment			105,894
CWIP - Customer Service/Info	(2)		<u>38</u>
Total Rate Base Adjustment			<u>\$ 105,932</u>

## Sources:

- (1) Audit Report, Pages II1-1, III-2, III-76
- (2) Audit Report, Page I-2
- (3) Audit Report, Page III-76
- (4) Amendatory Interim Order, Appendix A (Rev), Schedule 4
- (5) ComEd Schedule B-1 8370615/8400440

Schedule DJE-A-6

Page 1

COMMONWEALTH EDISON COMPANY  
ADJUSTMENTS TO DEPRECIATION EXPENSE  
(\$000)

	(1)	GCI	(2)
	Liberty	Adjstmnts	GCI Position
Reduction in depreciation rates	\$ 31,768	\$ (31,768)	\$ -
New depreciation method	3,777	681	4,458
Assets not in service per Company records	589	87	676
Retirement backlog	3,872	686	4,559
Other Rate base adjustments	<u>3,743</u>	<u>512</u>	<u>4,255</u>
Total	43,750	(29,802)	13,947
Adjustments in Interim Order	(3) <u>2,271</u>		<u>2,271</u>
Incremental Adjustment to Interim Order	<u>\$ 41,479</u>		\$ 11,676
Retail Allocation Factor	(4)		<u>99.64%</u>
Retail Adjustment			<u>\$ 11,635</u>

## Sources:

- (1) Audit Report, Page III-2
- (2) Schedule DJE-A-6, Page 2
- (3) Amendatory Interim Order, Appendix A (Rev), Schedule 2
- (4) ComEd Schedule B-1 8370615/8400440

Schedule DJE-A-6

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COMMONWEALTH EDISON COMPANY  
ADJUSTMENTS TO DEPRECIATION EXPENSE  
(\$000)

	(1) Plant	(2) Rate	Deprec. Adjstmnt
Plant Adjustments:			
True-up to actual costs of 2Q 2001 projects	\$ 7,675	2.40%	\$ 184
Adjustments to Northwest project	3,432	2.40%	82
Excess AFUDC	7,449	3.43%	256
Assets not in service per Company records (3)	21,709	3.11%	676
Incremental cost of project deferrals	66,743	3.43%	2,292
Procurement	5,418	3.43%	186
Excess ComEd employee overtime	22,870	3.43%	785
Contractor overtime premiums	4,778	3.43%	164
Project management	8,891	3.43%	305
New depreciation method	123,821	3.60%	4,458
Unrecorded retirements (4)	171,588	2.66%	4,559
Totals	<u>\$ 444,374</u>		<u>\$ 13,947</u>

## Sources:

- (1) Schedule DJE-A-5
- (2) ComEd Schedule C-9
  - Depreciation Rate - Distribution 3.60%
  - Depreciation Rate - Distribution High Voltage 2.40%
  - Depreciation Rate - Composite 3.43%
- (3) Audit Report, Page III-97, for weighting between DIST and HVDT
- (4) Audit Report, Page III-109, for weighting between DIST and HVDT